Slowing down of FDI

3909. SHRIMATI MALTI SHARMA: Will the PRIME MINISTER be pleased to state:

(a) whether Government's attention has been drawn to a newsitem captioned "FDI in India may slow down, says David Bell" which appeared in the Hindustan Times dated 20th March, 1995;

(b) if so, the reaction of Government thereto: and

(c) whether Government propose to adopt Australian or Canadian model, whereby 25 percent cap on foreign ownership had been imposed in respect of foreign media entering India as suggested by Mr. David Bell?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI KRISHNA SAHI): (a) and (b) Yes, Sir. The foreign investment policy have evoked considerable and sustained intereest among foreign investors as evident from the buoyancy in foreign investment aprovals shown below:—

Year	No. of proposals involving foreign investment received and approved	Foreign investment envisaged
1991	289	534.11
1992	692	3887.54
1993	785	8859.33
1994	1062	14187.19 (including approvals for Euro Issues)

(c) No such proposal is under consideration of the Government.

Losses suffered by HMT

3910. SHRIMATI MALTI SHARMA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that HMT, once a premier public undertaking, suffered huge losses due to Goods held in Trust Scheme and if so, the details of the scheme including the losses suffered therefrom during the last three years;

(b) whether Government have since withdrawn the said Scheme; and

(c) whether the World Bank has submitted a study containing ways and means to revive the HMT and if so, by when it is likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI KRISHNA SAHI): (a) HMT decided some years ago that instead of giving clean credit on watch sales to dealers, the goods be kept in its custody as Goods held in Trust (GHIT). These type of transactions are considered as sales under the provisions of the Sales of Goods Act. However, the volume of such sales increased repidly and since the goods continue to be in HMT's possession till the payment is received, their carrying cost has to be borne by HMT, which could have been saved if these had been produced only when required for actual sale. The carrying cost of GHIT for the years 1991-92 to 1993-94 including interest on sales tax and insurance premium works out to about Rs. 21.9 crores.

(b) The GHIT sales has been completely stopped since 1993-94.

(c) A study conducted by Japan International Cooperation Agency under the auspices of the World Bank recommended reorganisa-